



FISCAL MEMORANDUM

SB 177 - HB 567

March 14, 2023

SUMMARY OF BILL AS AMENDED (005644): Requires the Division of TennCare (Division) to create a pilot program that provides remote maternal health services. Authorizes the Division to seek a federal waiver if necessary to implement the program. Effective July 1, 2023 to June 30, 2026.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Expenditures –

\$11,911,600/Each Year FY23-24 through FY25-26

Increase Federal Expenditures –

\$22,599,700/Each Year FY23-24 through FY25-26

Assumptions for the bill as amended:

- According to information gathered from the Division's managed care organizations (MCO), the average annual cost per enrollee in the pilot program will be \$2,744, which will cover additional payments to OB/GYN providers and remote patient monitoring device costs.
- On average, TennCare covers 41,923 pregnancies, which is assumed to remain consistent.
- The pilot program would cover a pregnant TennCare recipient who has an increased likelihood of experiencing a higher-risk pregnancy, or who does not have access to a licensed OB/GYN who participates in TennCare. Based on the established criteria, this estimate assumes 30 percent of all covered pregnant women will participate in the pilot program, or 12,577 (41,923 x 30.0%).
- The assumed cost of the program would be \$34,511,288 (\$2,744 x 12,577) annually.
- Medicaid expenditures receive matching funds at a rate of 65.485 percent federal funds to 34.515 percent state funds. Of this amount \$11,911,571 (\$34,511,288 x 34.515%) will be in state funds and \$22,599,717 (\$34,511,288 x 65.485%) will be in federal funds.

IMPACT TO COMMERCE OF BILL AS AMENDED:

Increase Business Revenue – \$34,511,300/Each Year FY23-24 through FY25-26

Increase Business Expenditures –

Less than \$34,511,300/Each Year FY23-24 through FY25-26

Assumptions for the bill as amended:

- The proposed legislation will not increase the number of OB/GYNs contracted with TennCare; it will merely change the means they use to interact with certain patients.
- Businesses would see an increase in revenue related to the program of \$34,511,288 in FY23-24 through FY25-26.
- The increase in business expenditures is estimated to be less than those amounts for companies to retain solvency.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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